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## **Sustainable Development in Nalco: The sustainability evolution model**

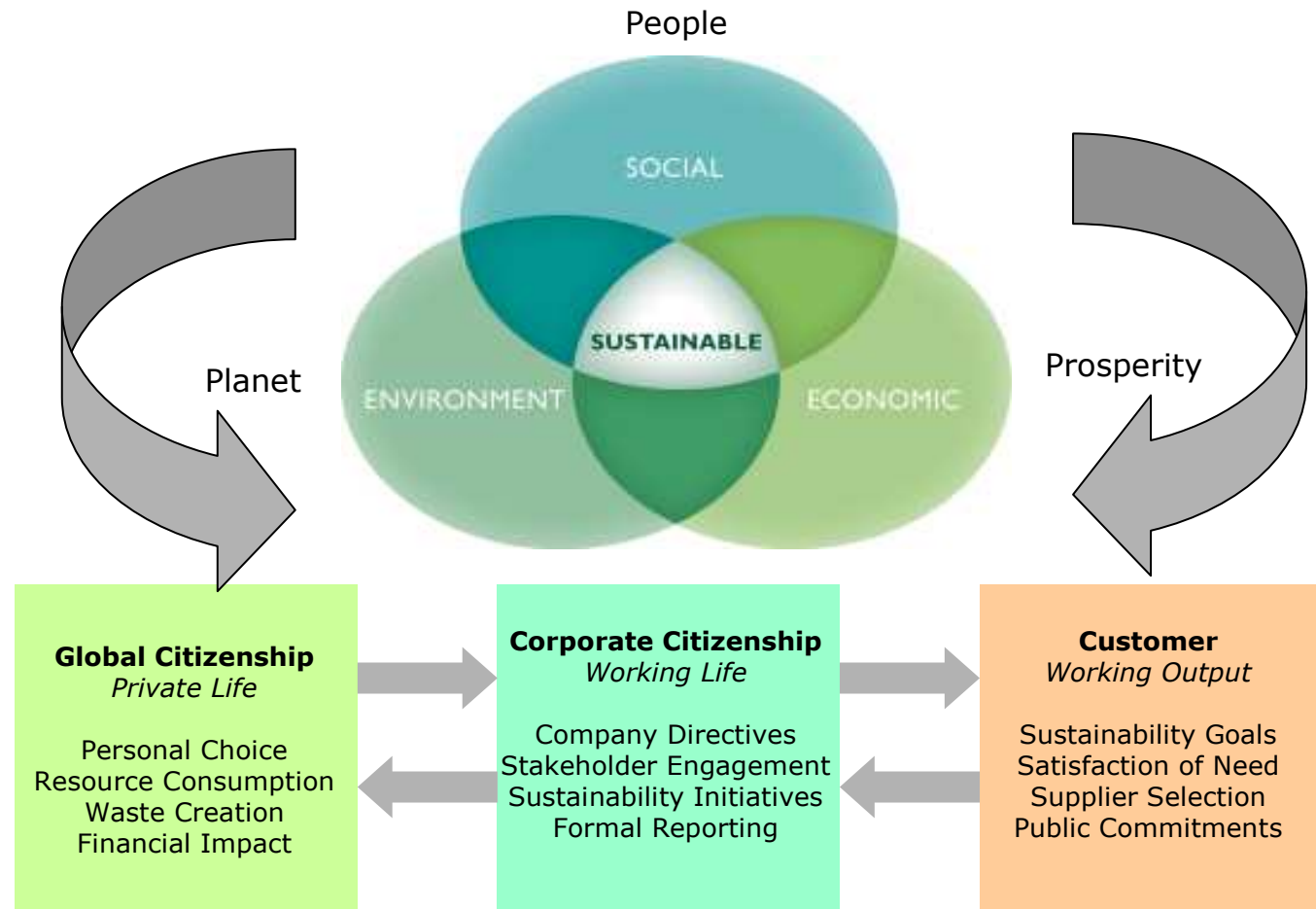
**Nalco Center for Sustainable Development 2008**



# Sustainable development

## *Understanding the relationships*

Development which meets the needs of the present without compromising the ability of future generations to meet their own needs



*The promotion of sustainable development through commonality of life path, working life, and customer goals*

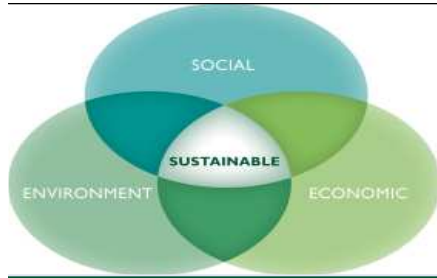


# Sustainable development

## *Understanding the relationships*

Development which meets the needs of the present without compromising the ability of future generations to meet their own needs





## Identifying the customer position

### *Characteristics of leadership & experience*

**Development which meets the needs of the present without compromising the ability of future generations to meet their own needs**

Source: AMA/HRI 2007

### **The 6 Qualities:**

1. Top-down management support
2. Sustainable development central to business strategy
3. Corporate values built on sustainable development
4. Comprehensive stakeholder engagement
5. Systems alignment
6. Organizational integration

### **The Experience:**

1. Show current & past internal & external contributions
2. Set corporate sustainability goals & report progress
3. Learn your customer's goals
4. Make choices which truly make a difference
5. Get involved with the decision-making process
6. Bring new programs to market



# An introduction to Nalco

*Delivering sustainable development to the world for 80 years*

**Development which meets the needs of the present without compromising the ability of future generations to meet their own needs**

Source: AMA/HRI 2007

Nalco Company is the world's leading water treatment and process improvement company, delivering significant environmental, social and economic performance benefits to a variety of industrial and institutional customers.

Our programs and services:

- Enhance process efficiency
- Reduce natural resource consumption
- Prevent corrosion and deposit formation
- Reduce the risk of contamination
- Extend asset life
- Improve our customers' end products
- Enhance air quality



Together our comprehensive solutions contribute to the sustainable development of customer operations.

A global business: 130 countries; 8,000 Nalco field professionals; 70,000 customers

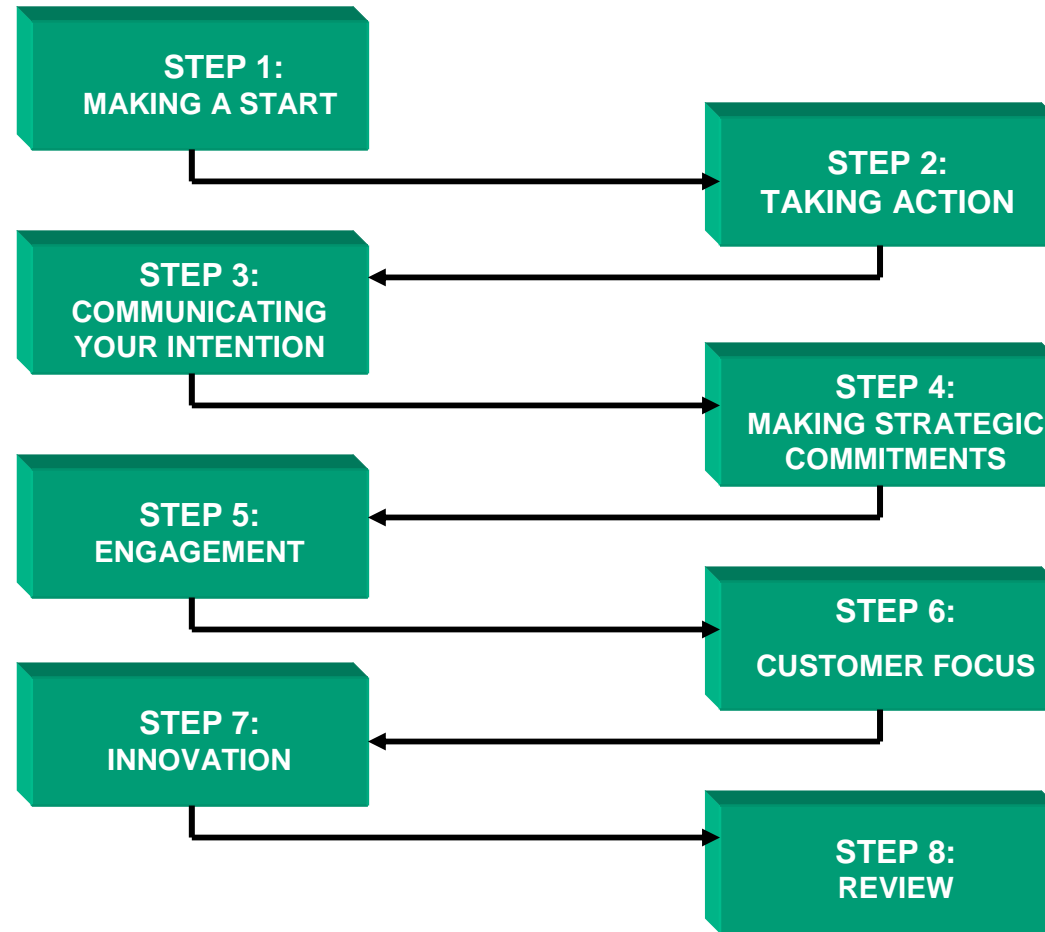




# Our 'G8' evolution

## Corporate sustainable development model: Years 1-3

Development which meets the needs of the present without compromising the ability of future generations to meet their own needs



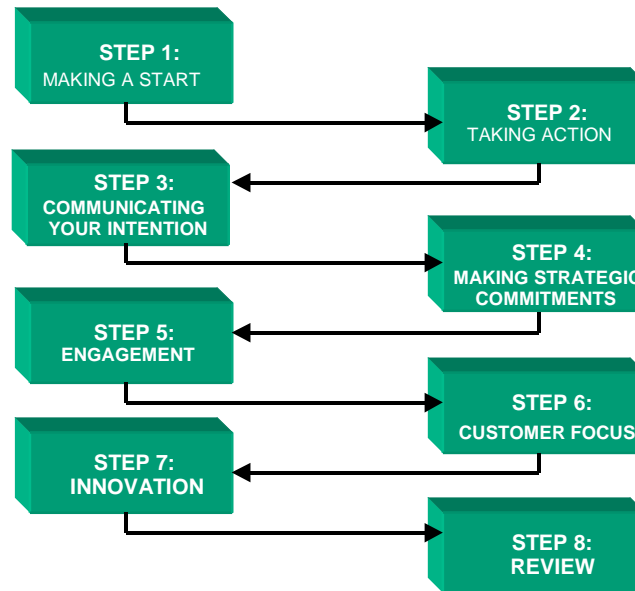


# Our 'G8' evolution

## Corporate sustainable development model: Years 1-3

Development which meets the needs of the present without compromising the ability of future generations to meet their own needs

### The road map for individuals, companies, countries and organisations towards true sustainability



Presented to The G8 CONFERENCE July 2008

Outlines the First Steps in Sustainability

Delivered to 50,000 Business and World Leaders Through the UN & International Chamber of Commerce

Nalco's Contribution to Corporate Engagement with Sustainability

Joint Setting and Management of Sustainability Goals

Build Strategic Business Partnerships with Key Customers

Delivering Global Leadership





# G8 evolution

## Step 1: Making a start

Development which meets the needs of the present without compromising the ability of future generations to meet their own needs

**STEP 1: MAKING A START**  
Establish *why* you are engaging with sustainability  
Gather stakeholder and market feedback  
Evaluate the work of other companies  
Engage the Board and senior management

STEP 2:  
TAKING ACTION

STEP 3:  
COMMUNICATING  
YOUR INTENTION

STEP 4:  
STRATEGIC  
COMMITMENTS

STEP 5:  
ENGAGEMENT

STEP 6:  
CUSTOMER  
FOCUS

STEP 7:  
INNOVATION

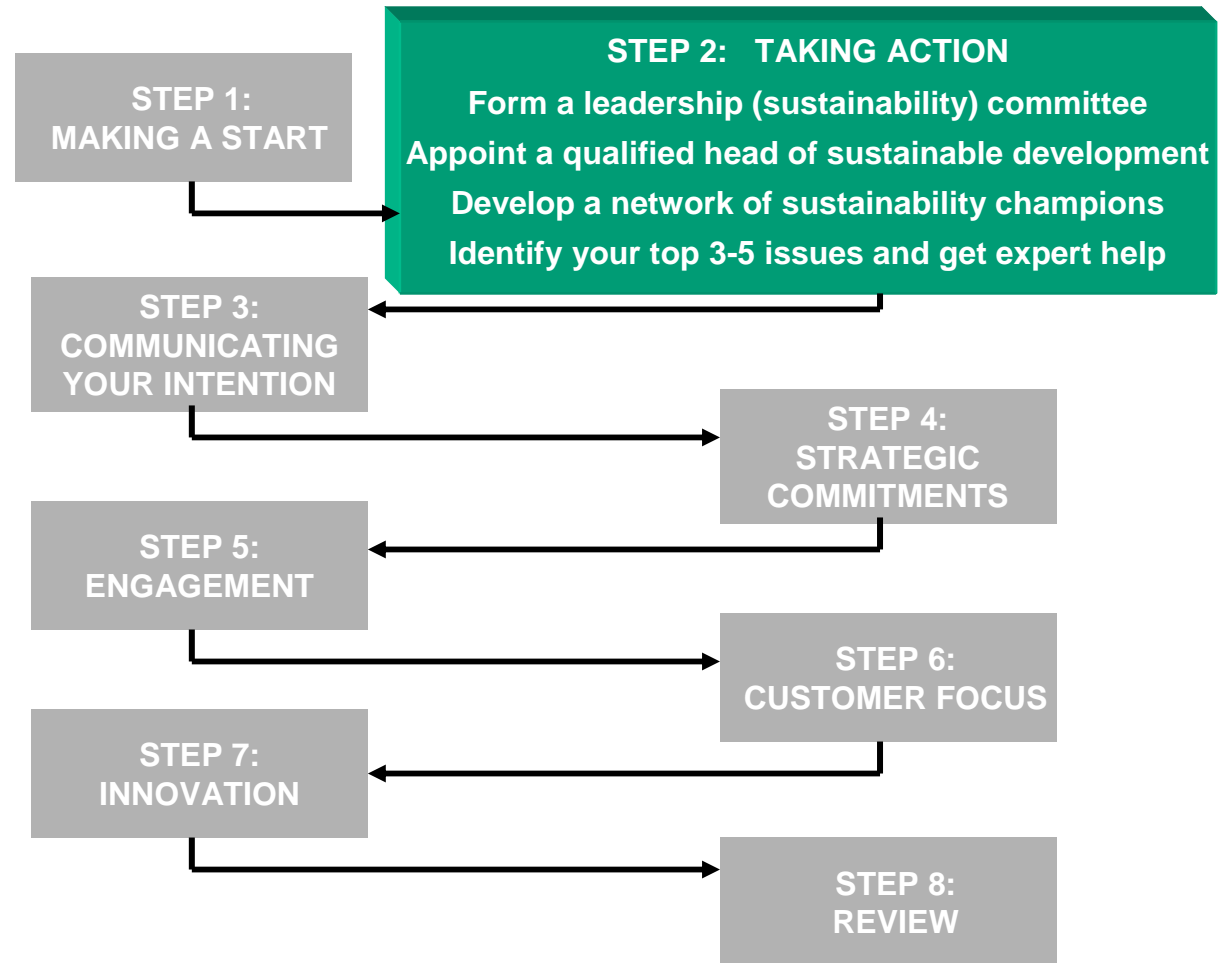
STEP 8:  
REVIEW



# G8 evolution

## Step 2: Taking action

Development which meets the needs of the present without compromising the ability of future generations to meet their own needs

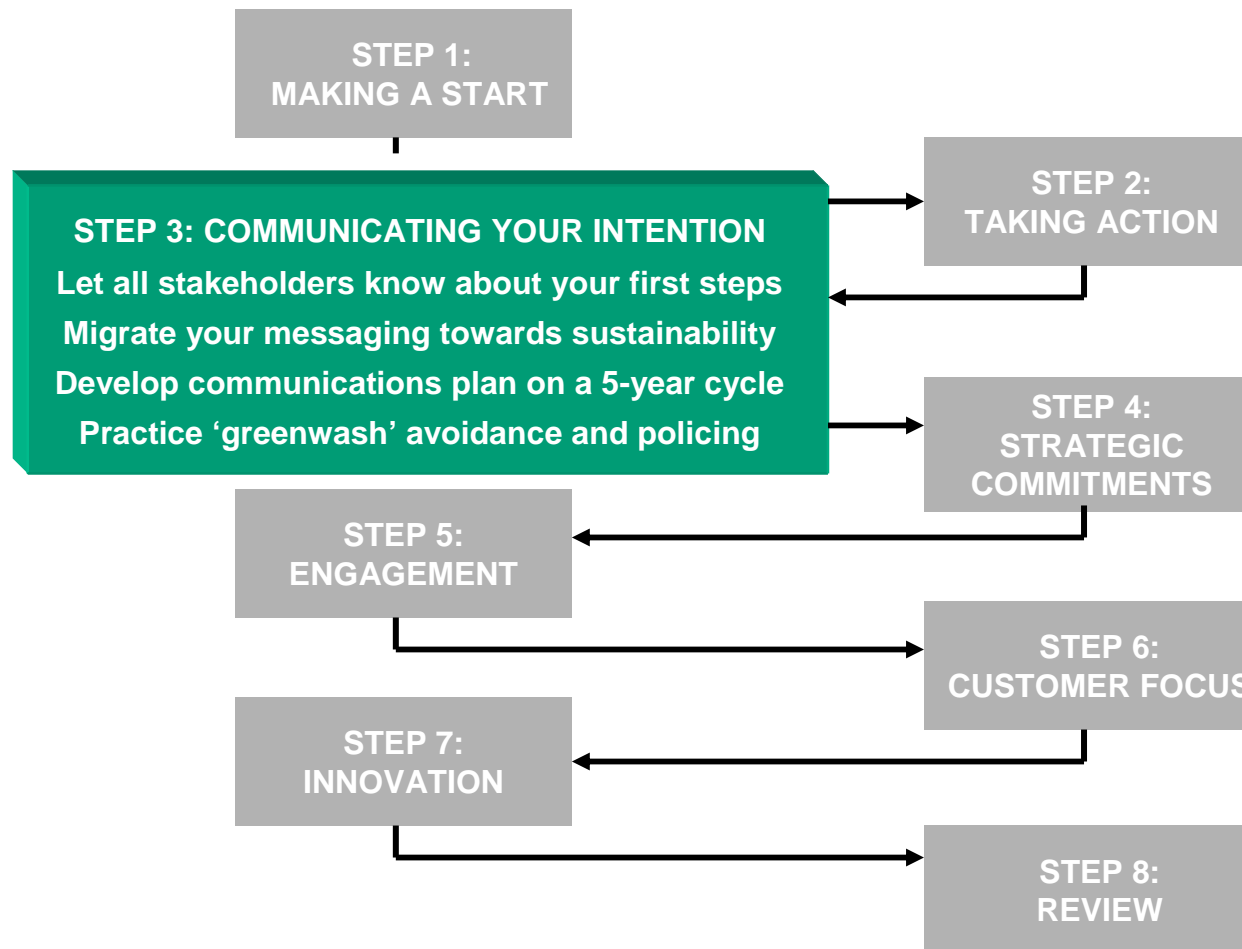




# G8 evolution

## Step 3: Communicating your intention

Development which meets the needs of the present without compromising the ability of future generations to meet their own needs

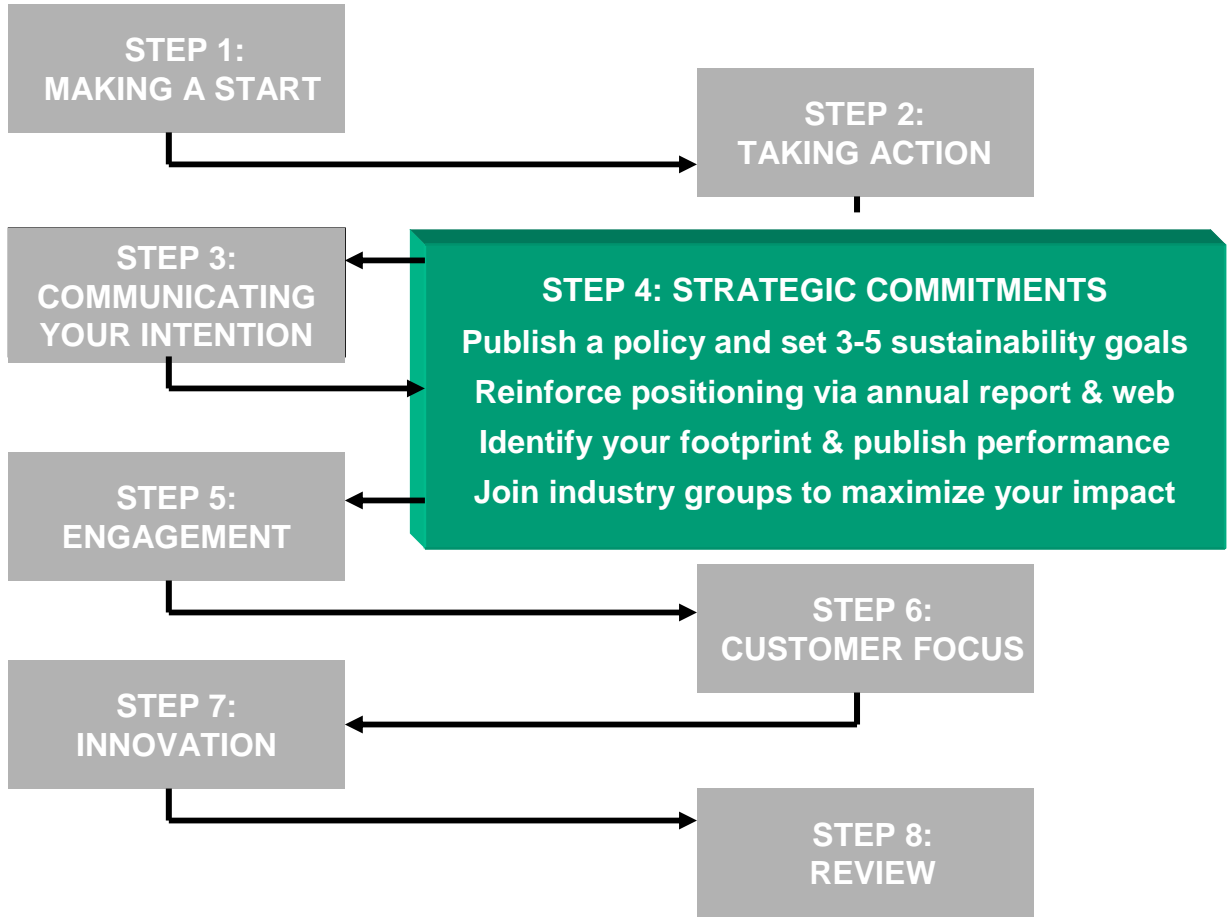




# G8 evolution

## Step 4: Making strategic commitments

Development which meets the needs of the present without compromising the ability of future generations to meet their own needs

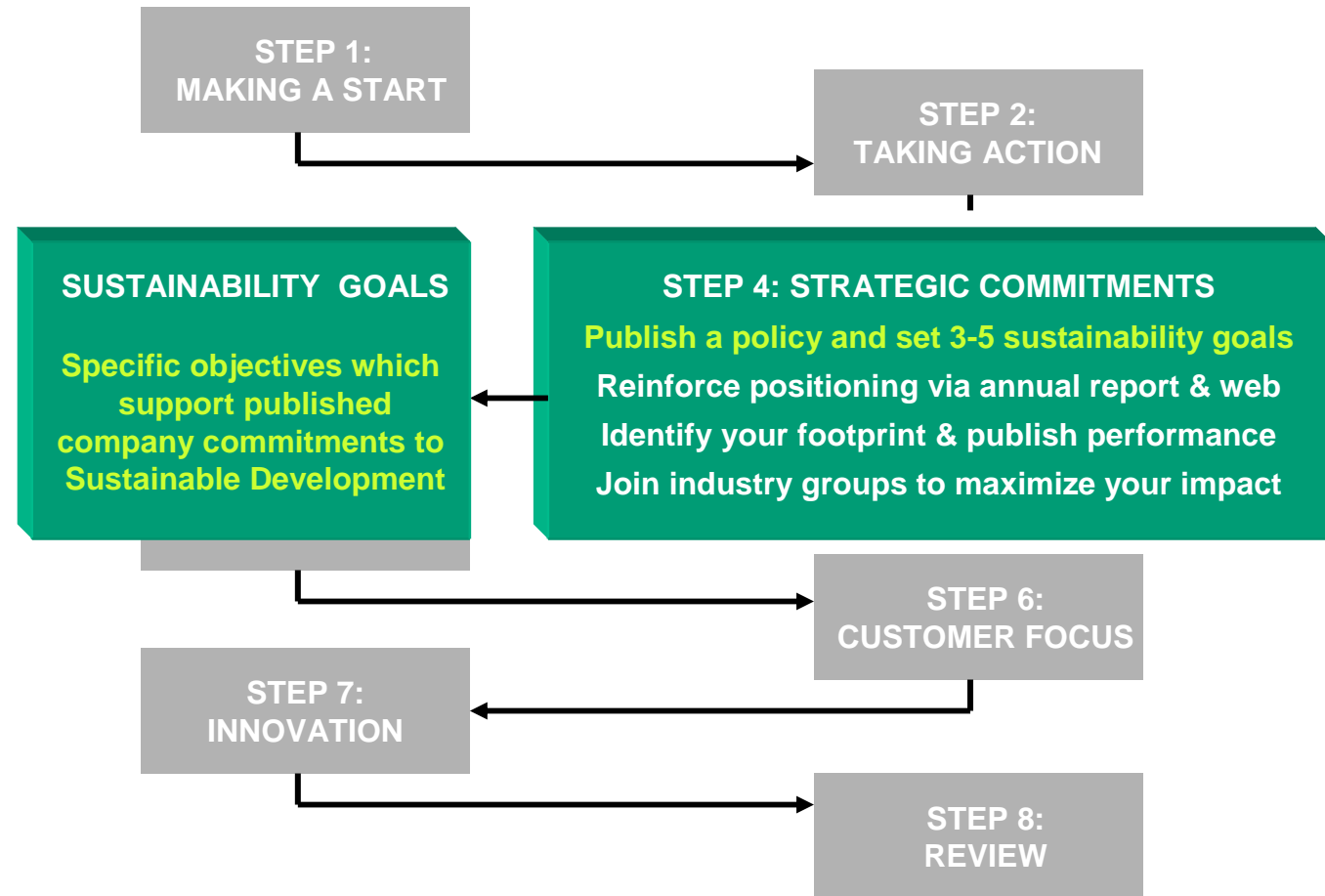




# G8 evolution

## Step 4: Making strategic commitments

Development which meets the needs of the present without compromising the ability of future generations to meet their own needs

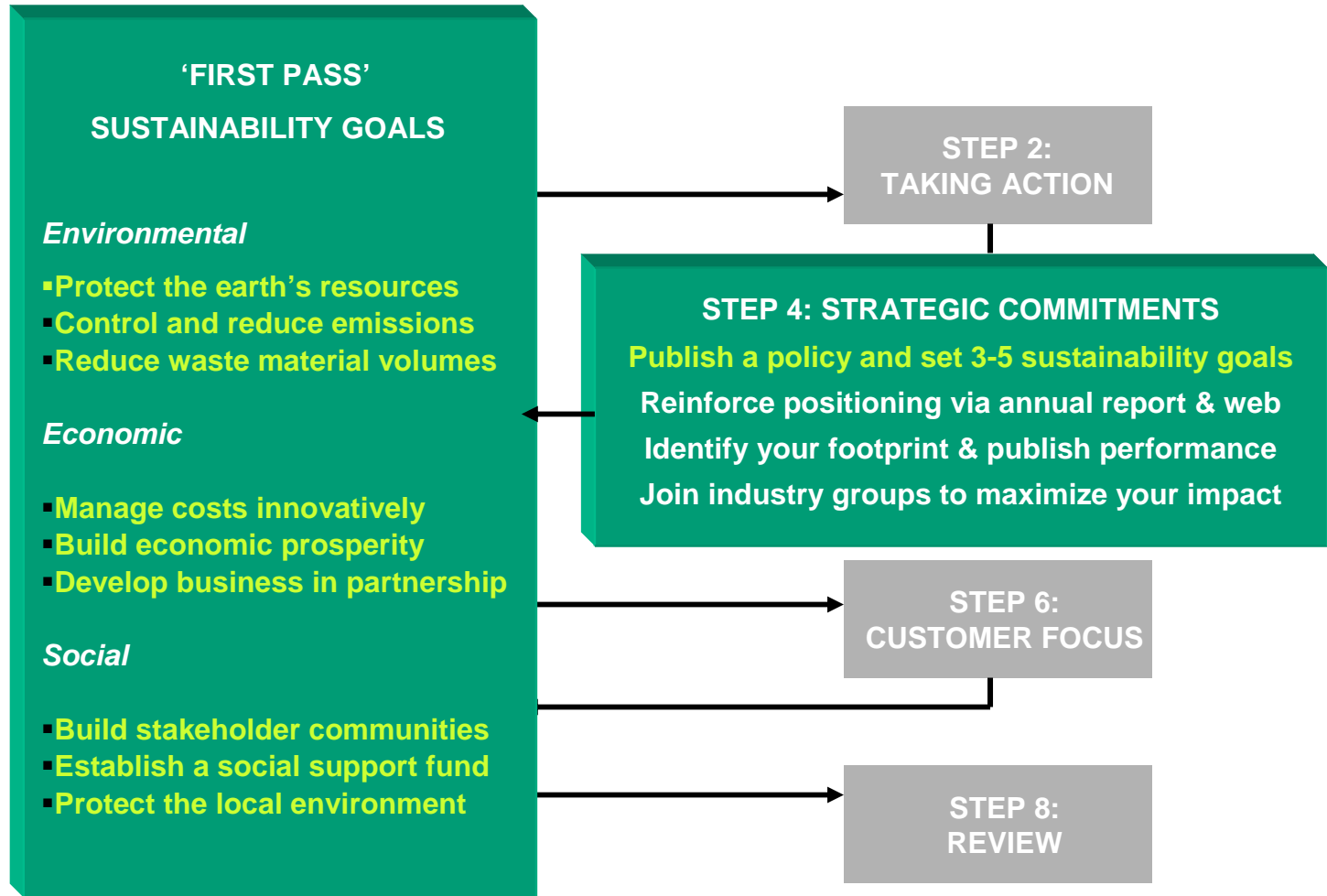




# G8 evolution

## Step 4: Making strategic commitments

Development which meets the needs of the present without compromising the ability of future generations to meet their own needs



# G8 evolution

## Making strategic commitments

### ADVANCED 'SECOND PASS' SUSTAINABILITY GOALS

#### Environmental

- Protect the earth's non-renewable resources
  - 15% reduction in energy consumption by 20XX
- Protect the earth's renewable resources
  - 10% reduction in water consumption by 20XX
- Control and reduce emissions
  - 15% reduction in CO<sub>2</sub> emissions by 20XX
- Reduce waste material volumes
  - 10% reduction in packaging wastes by 20XX

#### Economic

- Manage costs innovatively
  - Introduce flexibility in capital scheme financing
- Build economic prosperity
  - Grow bottom line by more than 10% per annum
- Develop business in partnership
  - Implement green supplier initiative by 20XX

#### Social

- Build strong stakeholder communities
  - Form network of stakeholder Sustainability Councils
- Establish a social support fund
  - Form a corporate foundation
- Protect local environmental quality
  - Consolidate deliveries: reduce trips by 15% by 20XX

STEP 2:  
TAKING ACTION

**STEP 4: STRATEGIC COMMITMENTS**  
 Publish a policy and set 3-5 sustainability goals  
 Reinforce positioning via annual report & web  
 Identify your footprint & publish performance  
 Join industry groups to maximize your impact

STEP 6:  
CUSTOMER FOCUS

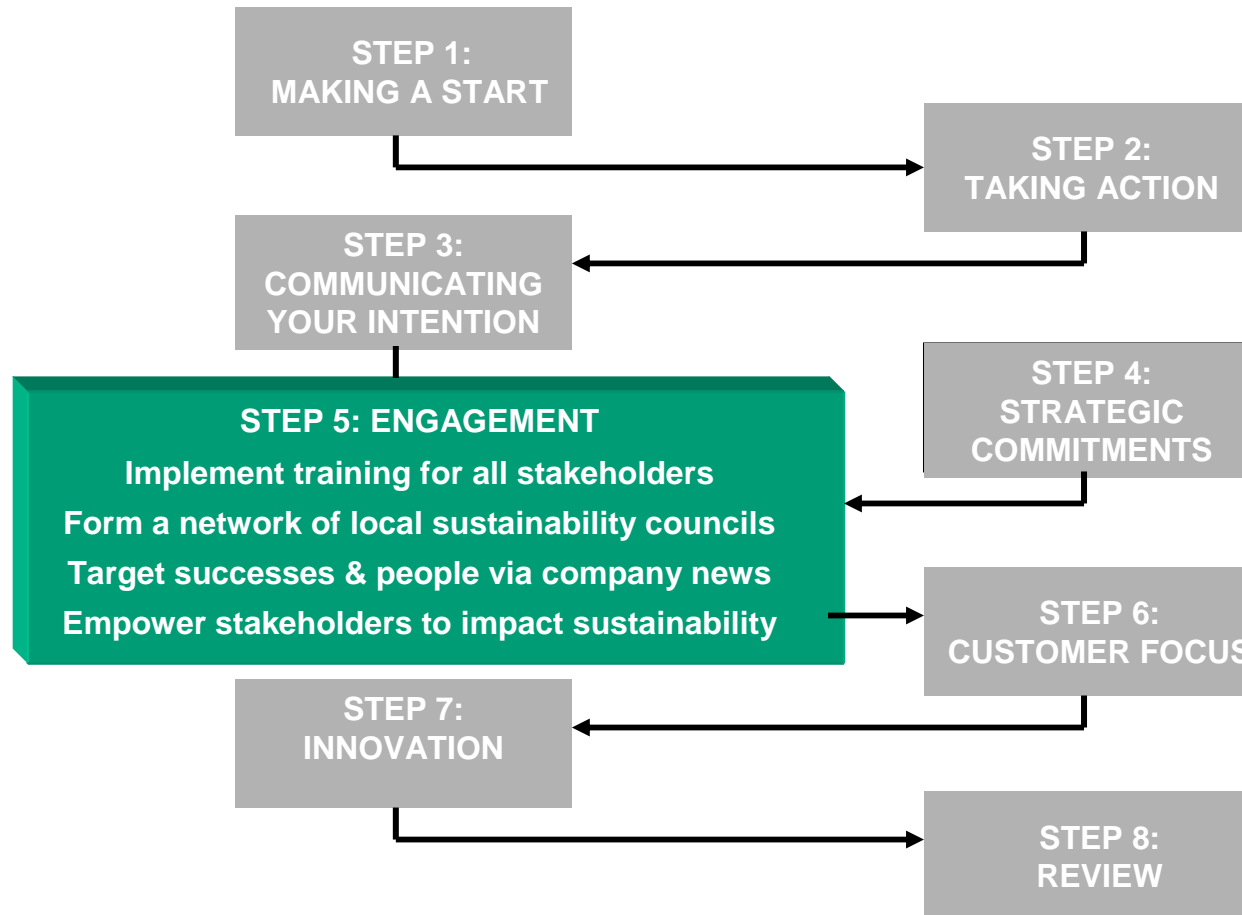
STEP 8:  
REVIEW

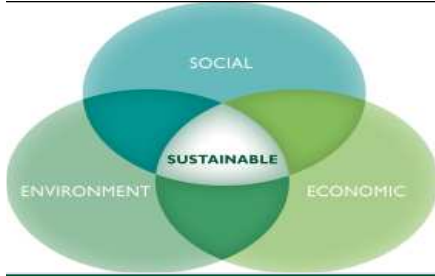


# G8 evolution

## Step 5: Engagement

Development which meets the needs of the present without compromising the ability of future generations to meet their own needs

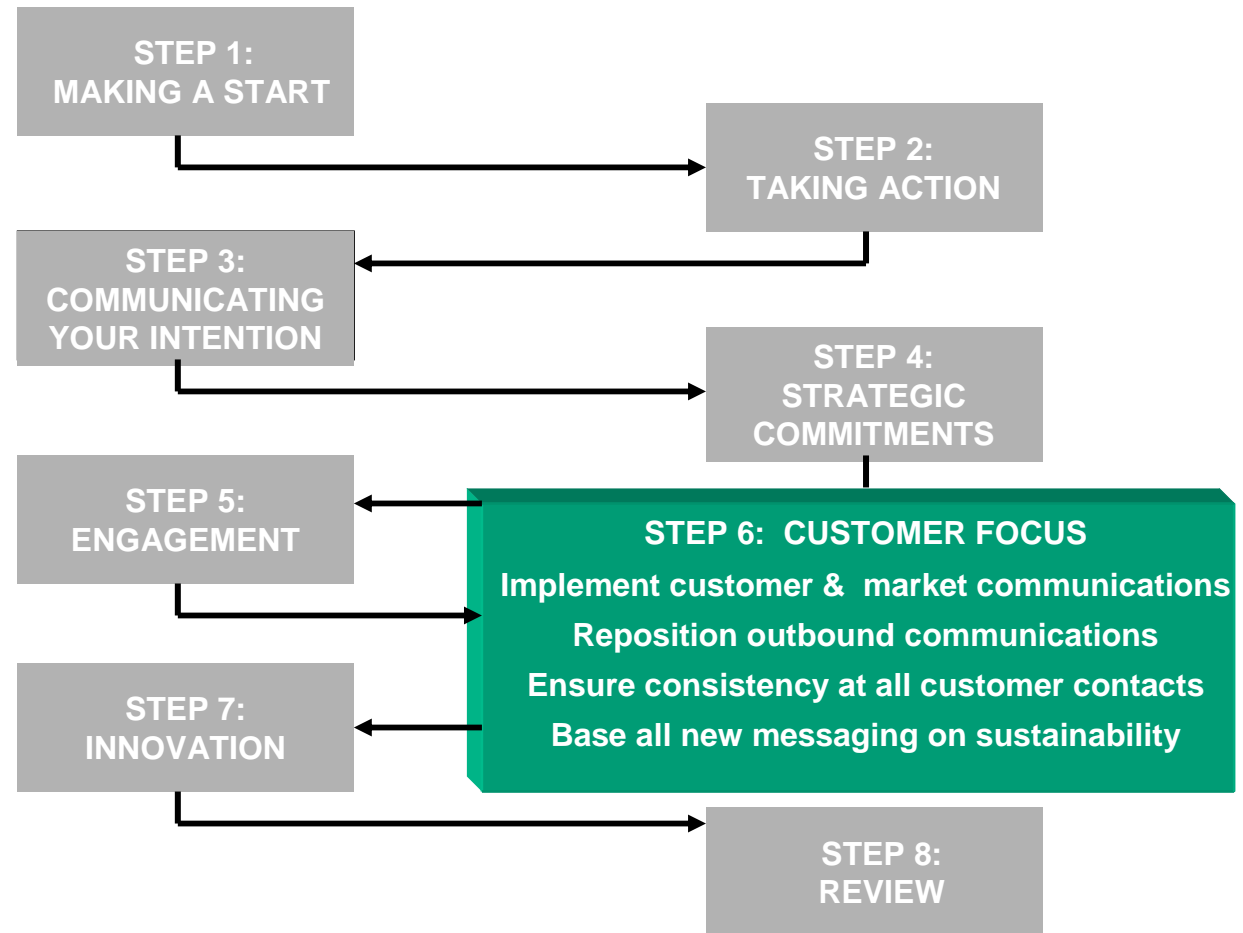




# G8 evolution

## Step 6: Customer focus

Development which meets the needs of the present without compromising the ability of future generations to meet their own needs

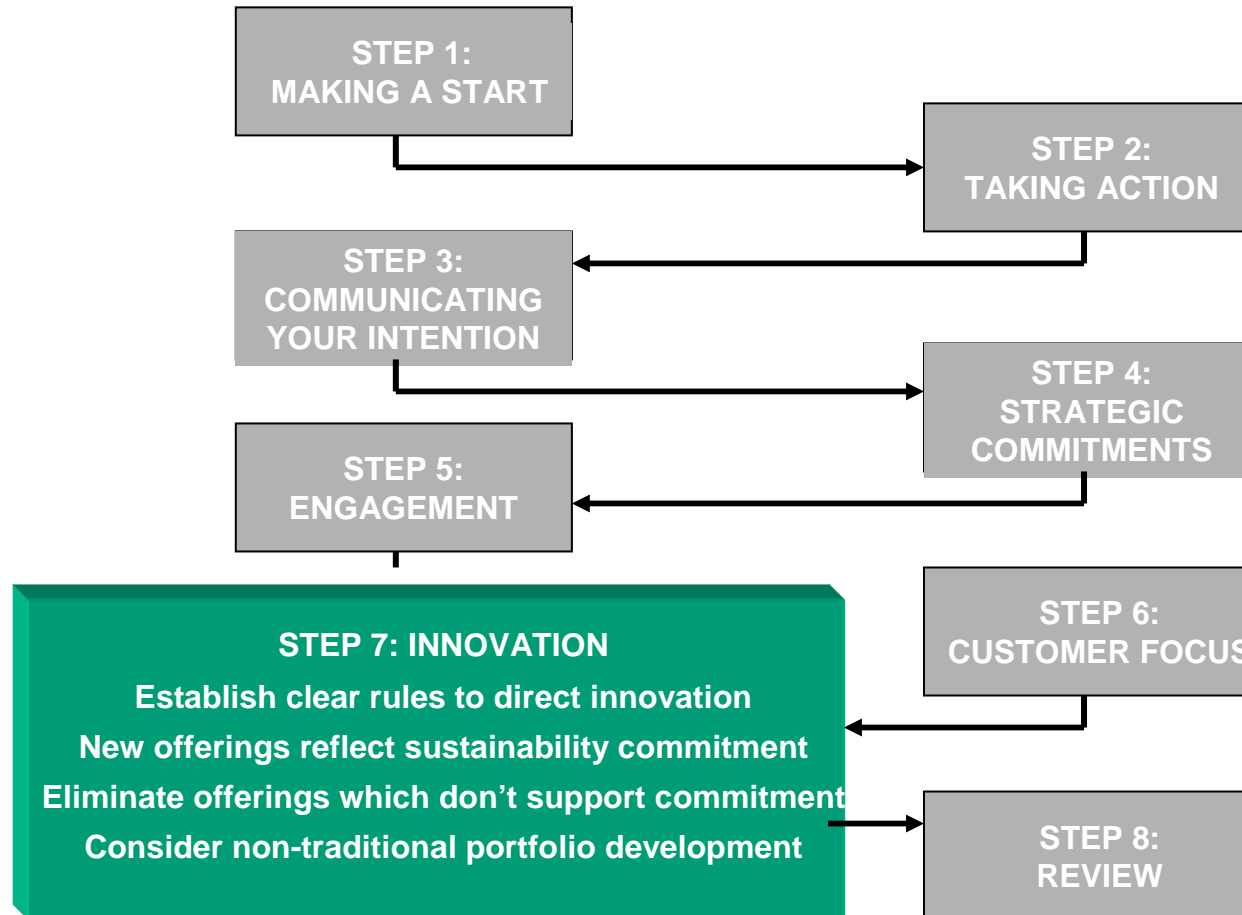




# G8 evolution

## Step 7: Innovation

Development which meets the needs of the present without compromising the ability of future generations to meet their own needs

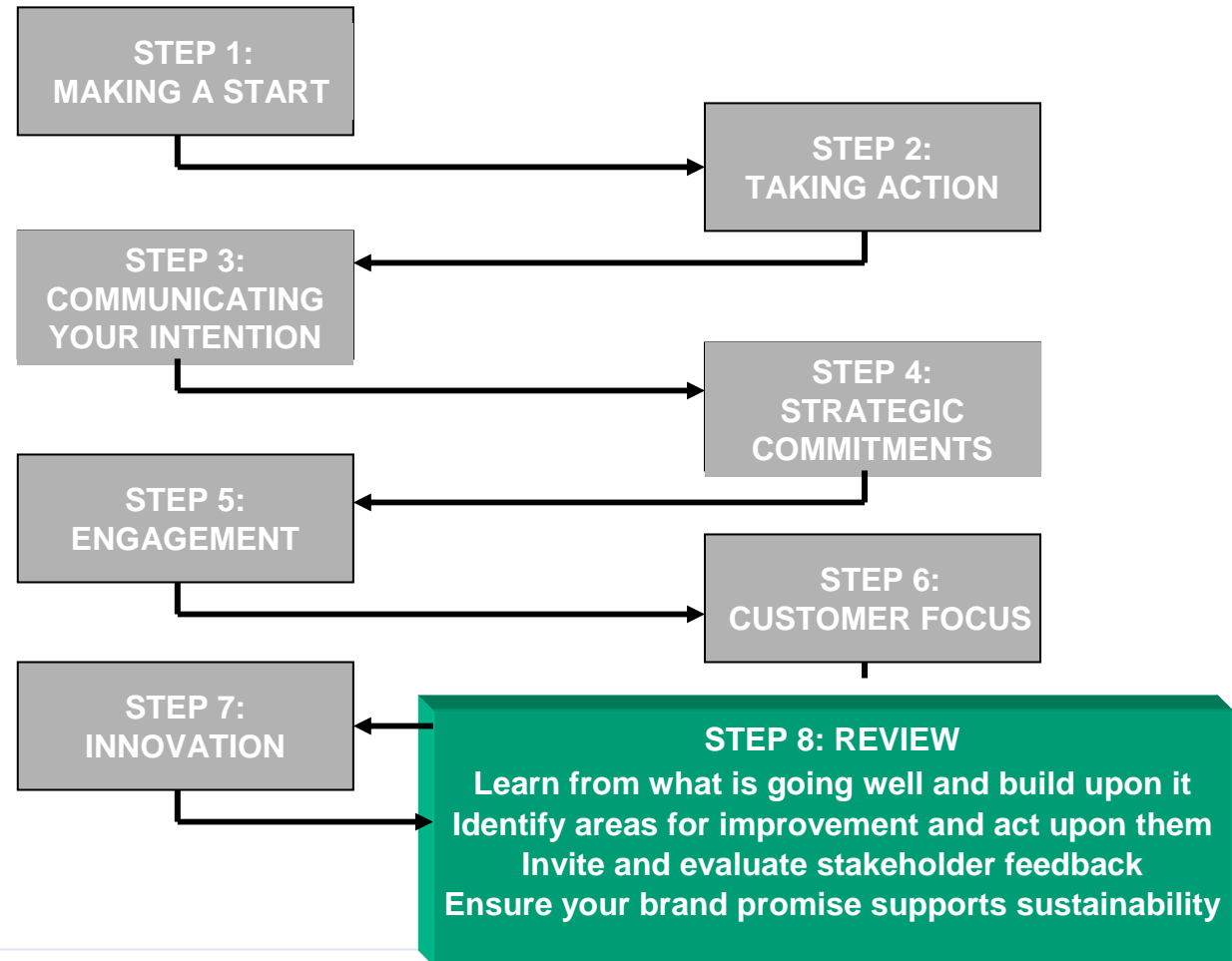


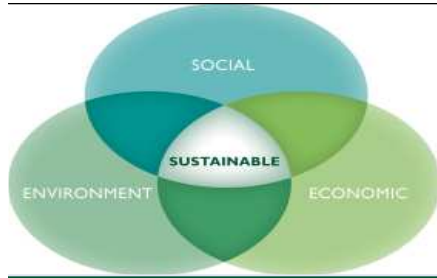


# G8 evolution

## Step 8: Review

Development which meets the needs of the present without compromising the ability of future generations to meet their own needs





## Where do we want focus ? *How to contribute to sustainable development*

**Development  
which meets  
the needs of the  
present without  
compromising  
the ability of  
future  
generations to  
meet their own  
needs**

### **Nalco is focused on helping itself and its customers to...**

#### Meet our respective sustainability goals

- Protect the earth's non-renewable & renewable resources
- Control and reduce emissions to air, water and land
- Reduce waste materials and volumes
  
- Build strong stakeholder communities
- Safeguard local environmental quality
- Develop business in partnership
  
- Manage costs innovatively
- Build economic prosperity
- Safeguard the future



# Sustainable development at Nalco

**Motivate, excite, enthuse, and start the evolution**

Development which meets the needs of the present without compromising the ability of future generations to meet their own needs

## CUSTOMER ENGAGEMENT & FEEDBACK

- Tier A & B high level marketing calls
- Kick-off Australasia customer seminars
- Series of webinars

UNDERSTANDING AND MANAGING CUSTOMER & MARKET EXPECTATIONS

## LEARN FROM OTHERS & ENGAGEMENT

- Peer engagement
- IGCC, ICC, CPI
- Government (eg China)
- NGO (eg TWG, WGBC, WBCSD)

SHARING LEARNING WITH OTHERS AND GETTING NALCO AND ITS OFFERINGS EMBEDDED

## SALES & MARKETING EVOLUTION

- KAM sustainability profiling training
- Marketing training
- Regional sales meetings
- Double-disc production

INITIAL CORPORATE MESSAGING THROUGH KEY ACCOUNT MANAGERS AND OTHERS

## CITIZENSHIP EVOLUTION

- HR recruitment and onboarding
- Group presentations & The Weekly
- Plant and staff Q&A
- Sustainability Council (11 so far, 1500 staff)

'GET THEM YOUNG' & 'GET EVERYONE INVOLVED' TO BUILD COMMONALITY AND COMMUNITY



# Sustainable development at Nalco

## *Action summary*

Development which meets the needs of the present without compromising the ability of future generations to meet their own needs

### INNOVATION

- Commitment of the citizenship to creativity
- Alternative technologies: sonochemistry
- Future positioning: positive list, renewables
- Life Cycle Assessment (LCA)

**CAPTURING THE CREATIVITY AND STEPPING OUT AND BEING BOLD**

### BUILD UPON OUR COMMITMENTS

- ISO 14001 & footprint gains
- Global Compact & Millennium Goals
- Sustainability Report, DJSI, GRI
- Supply Chain initiatives

**INTERNAL COMMITMENTS MUST MIRROR EXTERNAL ONES WE MUST PRACTICE WHAT WE PREACH**

### STRATEGY

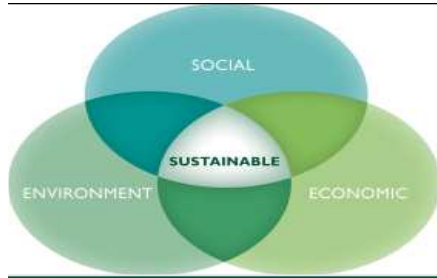
- Co-evolution of synergistic offerings
- Channel to market & branding
- Structure & skill sets for CSD
- Reposition Top 10 programs

**START POINT ENVIRONMENT STEERING TEAM 2007 AND EPI PROPOSALS**

### VALUE DELIVERY

- PAC2 boiler management
- PAC3 cooling water
- Carbon trading business potential (FReMCo)

**PROVE AND COMMUNICATE THE POWER OF CURRENT OFFERINGS**



## Sustainable development at Nalco

### *Practical Examples*

Development which meets the needs of the present without compromising the ability of future generations to meet their own needs

**Over the last 5 years our production volume has increased by 17%:**

Despite this we have reduced our **energy consumption** per unit of production by just over **3%** and our waste generation volume has been cut by **10.7%**.

Our on-site **water** emissions reported under the Toxic Release Inventory has declined over **66%** over the same period.

New energy-saving boiler in Germany.

All of the irrigation water on Nalco's head office is collected rainwater.

Nalco globally surpassed the greenhouse gas reduction targets for both the US and EU, established by the Kyoto Protocol.



# Sustainable development at Nalco

## *The Nalco Commitment*

Development which meets the needs of the present without compromising the ability of future generations to meet their own needs

## The Sustainability Council Network

### Nalco **I**nitiatives for a **S**ustainable **E**nvironment (NISE)

**Mission:** to educate our corporate citizens on sustainable development in their personal and professional lives.

**NISE** has representatives from across the organization including office staff, production personnel, facility management etc.



The Green Café is a NISE sub-committee comprised of Nalco employees who brainstorm about different ideas that can help drive personal sustainability projects. In a casual environment, employees eat lunch while discussing sustainability tips.



# Sustainable development at Nalco

## *The Nalco Commitment*

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## NISE Examples

### Monthly Newsletter



### Styrofoam Replacement

One of the simplest ways to reduce waste is by eliminating it altogether. With the introduction of our new Eco-Friendly Nalco travel mugs it is easier than ever to be more personally sustainable. Every full-time Naperville employee (1,500) received a complimentary travel mug, which is made of corn-based renewable raw materials.





# Sustainable development at Nalco

## *The Nalco Commitment*

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## NISE Examples

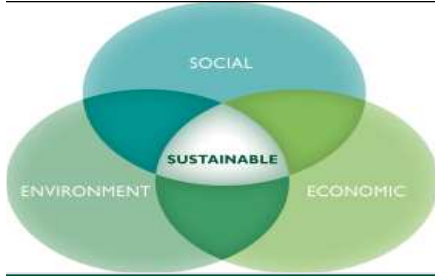
Encouraging participation in web-based activism platform offering individuals and groups a fun, simple and social way to have a measurable impact on climate change.



Green champions in each department switch off lights, computers etc and close shades in preparation for the weekend

Nalco encourages car pooling with dedicated, convenient parking spaces

Nalco hosts 'Lunch 'n' Learn' with various guest speakers



# Sustainable development at Nalco

## *The Nalco Commitment*

Development which meets the needs of the present without compromising the ability of future generations to meet their own needs

## NISE Examples

Nalco hosts a safety, health and sustainability week



An Awareness Expo was recently held at the Naperville headquarters, providing employees the opportunity to learn how to incorporate sustainable living principles and practices into their personal and corporate lives.

Different activities were held each day in the cafeteria and outside the main entrance that focused on ways to become more conscious about safety and the environment, including bike safety awareness, drunken driving prevention and a display of 14 fuel-efficient cars from local dealerships.



# Sustainable development at Nalco

## *The Nalco Commitment*

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## NISE Examples

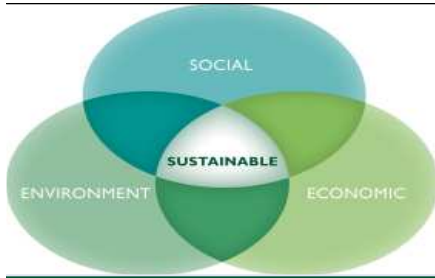
**For the second time in a decade, the United States Environmental Protection Agency (EPA) has recognized Nalco for outstanding achievement in product development with a 2008 Presidential Green Chemistry Challenge Award.**



Nalco is working to support the process of Leadership in Energy and Environmental Design - Existing Building (LEED EB) Certification of the Naperville campus. This is a certification associated with the US Green Building Council. This would be a prestigious award and is difficult to get.

Nalco encourages recycling of mobile phones, laptops, paper....

Nalco has numerous recycling bins sited around their buildings



# Sustainable development at Nalco

## The Nalco Commitment

Development which meets the needs of the present without compromising the ability of future generations to meet their own needs

## NISE Examples

### WATER

**FACTS**

- We use 127% more water today than we did in 1950.
- It takes about 70 gallons of water to produce 1 gallon of gas.
- About 95% of the water that gets delivered to our houses goes down the drain.
- Older toilets can use 5 gallons of clean water with every flush, while new toilets use as little as 1 gallon.
- Running the tap while brushing your teeth can waste 4 gallons of water.

**TIPS**

- Don't keep the tap running while brushing your teeth.
- Store drinking water in a jug in the refrigerator, rather than waiting for the tap to run cold.
- Take a shower instead of a bath.
- Avoid watering your garden when it's windy; it increases the evaporation rate.
- Think before you buy. Most products have to be manufactured, which consumes huge amounts of water.

Questions? Comments? Contact Steve Lohman at [SL5@nalco.com](mailto:SL5@nalco.com)

### ENERGY

**FACTS**

- Lowering the temperature of your thermostat by 2°F (and it could make your energy bill 1%, 3%).
- Always adjust your light bulbs. Use about 32 more longer fluorescent bulbs and conserve 17% in energy.
- Americans consume 2% of the world's energy.
- Heating and cooling accounts for about 36% of the energy use in a typical home.
- Washing clothes at 100°F (instead of 130°F) can save as much energy as a 3000-mile round trip.

**TIPS**

- Insulate your hot water pipes.
- Use energy-efficient light bulbs, or buy the last about 12 more large compact fluorescent bulbs and conserve about 10% in energy.
- Use the gold rather than the silver.
- Unplug chargers for your mobile phones and laptop when not in use.

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Numerous awareness posters and banners are positioned throughout buildings

### BIKING to WORK

**FACTS**

- Transportation accounts for over 20% of CO<sub>2</sub> emissions, more than half of which comes from private cars.
- Biking at a moderate pace is about 30 miles per hour burns an average 400 calories per hour for women and 450 calories per hour for men, about the same as an aerobics session.
- Regular cyclists have the greatest health and fitness of any adults who are 18 years or younger.
- Car occupants are exposed to 2-3 times more air pollution than cyclists.
- Cars, SUV's, pick-up trucks, and motorcycles produce 17 percent of America's global warming pollution vs. more than bicycles.

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### RECYCLE

**FACTS**

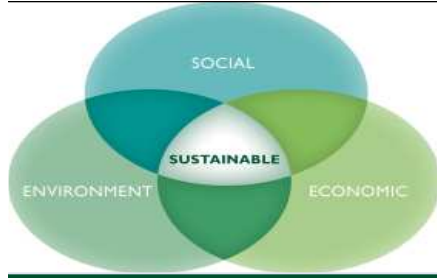
- Recycling a three-foot stack of newspaper saves one tree.
- On average, each one of us produces 4.8 pounds of solid waste each day. This adds up to almost 1 ton of trash per person per year.
- It takes just one quart of engine oil to pollute 250,000 gallons of fresh water.
- Recycling a glass bottle gives enough energy to light a 100-watt light bulb for four hours.
- 80% of our plastic trash ends up in a landfill.

**TIPS**

- Use bubble wrap to protect plants from frost or bring your bubble wrap to local parties and craft shops for reuse.
- Plant old CDs and DVDs by hanging them in the garden to scare the birds, or use as mulch in your drive.
- Have cards for lighting, trees or for landscaping.
- Take your old eye glasses to return for reuse in the less fortunate condition.
- Return your old medicine and medicine bottles to your pharmacist.

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## Commitment to sustainable development *Engagement of our stakeholder communities*

Development which meets the needs of the present without compromising the ability of future generations to meet their own needs

### **Why make that commitment ?**

**It is absolutely the right thing to do**

**It shows commonality with customer commitments and goals**

**It shows alignment with commitments by, and expectations of, the global chemical industry**

**It says something powerful about who we are as a company and as corporate citizens**

**We have a clear obligation to future generations**

**It's where our stakeholders want us to be**



Thank you  
***Questions or comments ?***

Development which meets the needs of the present without compromising the ability of future generations to meet their own needs

***Delivering sustainable development:  
it's where our stakeholders want us to be***



**THANK YOU FOR YOUR ATTENTION**